



CITY OF OAKLAND
newsrelease
Office of the City Attorney

FOR IMMEDIATE RELEASE
October 18, 2007

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Coalition Takes on Predatory Lenders and Oakland's Foreclosure Crisis
City Attorney John Russo announces program to fight home loan scams and help people facing foreclosure in Oakland

OAKLAND – A new coalition of legal, housing, policy and community advocates announced a comprehensive program Thursday to confront the escalating foreclosure crisis and fight continued predatory lending in the city.

The Oakland Fair Lending Coalition, organized by the City Attorney's Office, is a partnership of groups working on the front lines in Oakland to protect consumers, renters and homeowners.

"There has been a wave of foreclosures in Oakland over the last year, and by all indications, it's going to get worse," City Attorney John Russo said. "This crisis does not just affect the families who are losing their homes and walking away with ruined credit. Renters in foreclosed buildings are feeling the impact when they receive unlawful eviction notices or lose their water and electrical service without notice."

At a press conference Thursday, Coalition members and elected officials were joined by Mrs. Dorothy Hicks, 74, who has owned her home in the Havenscourt neighborhood in East Oakland for 39 years. Mrs. Hicks' home is now scheduled to be sold at auction after her lender began foreclosure proceedings. Mrs. Hicks, a member of ACORN, said bad information from a lender led her to sign a loan she ultimately could not afford. She also said her lender was not willing to modify her loan to help her keep her house.

Coalition initiatives announced Thursday include:

- A new hotline in the City Attorney's Office, (510) BE ALERT, which will serve as a clearinghouse to get homeowners, borrowers and renters the right help from the right organizations. The hotline goes live on Monday, October 22 and will be staffed Monday through Friday.
- A foreclosure prevention workshop at City Hall at 9 a.m. Saturday, Oct. 20. Representatives from Washington Mutual, Wells Fargo and Countrywide Financial will be at the workshop to talk about options for people facing foreclosure.
- A public education campaign to give borrowers information they need to stay out of trouble – especially in East Oakland neighborhoods targeted by predatory lenders in recent years.

The Coalition also announced a package of legislative proposals to protect California consumers from predatory lending practices.

“The Oakland City Council passed a landmark ordinance back in 2001 to head off this crisis, but unfortunately a lawsuit by the banking industry prevailed,” City Attorney Russo said. “We are calling on the state to pass tough laws to protect people from bad loans and to reform rules for mortgage brokers to prevent unethical behavior.”

Also speaking at the press conference were City Council President Ignacio De La Fuente, Clifton Cooper, Vice President of the Oakland NAACP and Maeve Elise Brown, director of Housing and Economic Rights Advocates.

State Senator Don Perata sent a statement that read in part: “Far too many of our friends and neighbors are struggling with the chaos of default and foreclosures. Many of them may not have signed loans if they’d been informed or understood the terms of the subprime mortgages. Data shows that the number of foreclosures will likely continue to rise in the coming months – hard-working, well-intended and responsible homeowners in the East Bay may find themselves facing dramatic financial decisions ... I am deeply grateful to the Oakland Fair Lending Coalition for pulling together Saturday’s educational workshop to give homeowners the help they need to stay in their homes.”

“This crisis must be addressed immediately,” Oakland Mayor Ron Dellums said in a prepared statement. “We must do our part to ensure that the American Dream of owning a home is in reach of every Oakland resident, by exploring ways in which lenders can preserve reasonable returns on their investments while sustaining homeownership opportunities for our citizens.”

OAKLAND FAIR LENDING COALITION

Including:

ACORN

Bay Area Legal Aid

California Reinvestment Coalition

Center for Responsible Lending

Centro Legal de la Raza

Consumers Union

East Bay Community Law Center

Eviction Defense Center

Housing and Economic Rights Advocates

Lao Family Community Development

Oakland City Attorney’s Office

Oakland NAACP

Sentinel Fair Housing

Urban Strategies Council

Unity Council

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